

Section 16. Producer Financials

Producer must at all times be able to demonstrate its financial soundness to IBP and to provide evidence thereof upon the request of IBP. Producer agrees to execute and deliver to IBP from time to time, as requested by IBP in its discretion, such security agreements, financing statements under the Uniform Commercial Code and other instruments as may be necessary or appropriate to grant IBP a security interest in tangible assets and the liabilities of the Producer (net tangible assets) shall be sufficient to secure Producer's obligations to repay the Deficiency Account under this Agreement. Such security interest shall be on written terms reasonably satisfactory to IBP.

Section 17. Confidentiality

The parties acknowledge and agree that in connection with, or as a result of, this Agreement, each party may be furnishing the other party with certain information which is either non-public, confidential or proprietary in nature ("Confidential Information"). Each party's Confidential Information will be kept confidential by the other party and shall not, without prior written consent, be disclosed by the other party to any other person or entity or be used by the other party for any purpose other than in connection with this Agreement. This Agreement and its terms shall be considered the Confidential Information of IBP.

Section 18. Miscellaneous

(a) Producer and IBP shall use reasonable efforts to settle any dispute, claim, question, or disagreement arising out of, or relating to, this Agreement or any alleged breach of this Agreement. This Agreement shall be governed by and construed in accordance with the laws of the State of Nebraska.

(b) IBP and Producer agree that the relationship between them is that of independent contractors. Nothing in this Agreement shall constitute either Producer or IBP as agent, representative, partner, joint venturer or employee of the other party. Neither Producer nor IBP shall have, nor shall either represent itself as having, any right, power or authority to create any agreement or obligations, either express or implied, on behalf of, in the name of, or binding upon the other party, or to pledge the other's credit or to extend credit in the other's name unless the other party shall provide advance written consent thereto.

(c) Producer acknowledges it has entered into this Agreement on its own accord and has adequate time to consult with its attorney and accountant as Producer has deemed necessary.

(d) Producer warrants that he has good and marketable title to all Market Hogs delivered to IBP's plant and has provided to IBP prior to delivery of the Market Hogs to IBP, the names and addresses of any person, corporation, partnership, or